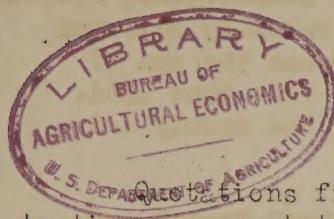


UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
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LETTER TO COMMUNITY COMMITTEEMEN
Northeast Division.

Reactions from recent talks by Agricultural Adjustment Administration representatives:

Tolley says A.A.A. program must help small farmer.....promote general prosperity.

"In the past four years I have read literally volumes about the high cost of the farm program. It seems to me that the high costs of neglecting agriculture deserve attention every time it is proposed to do without a farm program.

".....General farm income, however, is not enough to consider. The small farmer in this country needs special protection. The family-sized farm contributes to the welfare of all society. But many economic conditions destroy some of the most valuable features of farm family life.

".....To do the job that is necessary, our program must contribute to the welfare of the small farmer and give him a square deal.

".....Now since real wealth consists of useful things, it follows inevitably that prosperity depends largely upon abundance of production. The nation can never enjoy a rising standard of living unless more goods and services are produced.

"But while abundant production is essential to prosperity, it is not sufficient in itself to create prosperity. After goods are produced, they have to be distributed among the people who want them in order to improve the standard of living. A farmer may raise 10,000 bushels of wheat, but that does not make him prosperous until he can exchange it for things he can use. He can not eat that much wheat. That wheat is not useful to the factory worker, the shop clerk, the coal miner or their families unless they are able to keep their jobs so they can buy bread.

".....'The farmer must have markets for abundance if he is to keep on producing bountifully'." - H. R. Tolley, A.A.A. Administrator,
January 26, 1938.

Use of lime almost doubled.

"Estimates released by the National Lime Association indicate that about 6,300,000 tons of agricultural limestone were used in 1936 as compared with 3,300,000 tons in 1935. The use of agricultural limestone in 1936, therefore, was almost double what it was in 1935. It was also about 70 percent greater than it was in the year 1929. The

sharp increase in the use of agricultural limestone in 1936 undoubtedly should be attributed largely to the 1936 Agricultural Conservation Program. As a specific example, one county agricultural agent recently reported that a few years ago he made a special effort to increase the use of limestone in the county but succeeded only in getting five tons used. In 1936 about 1,500 tons were purchased by farmers in the county and applied under the program.

".....In the northeastern States - the New England States and New York, New Jersey and Pennsylvania - payments were made on about 375,000 tons of limestone and the use of agricultural limestone was increased about 227,000 tons between 1935 and 1936." -

C. C. Farrington,
Assistant to A.A.A. Administrator
January 24, 1938.

Better city incomes bring better farm markets.

".....In 1929 the average employed industrial worker earned about \$1400. Of this total he paid out about \$490 for food, leaving about \$910 for other living costs. In 1933 the average employed industrial worker earned about \$1020, and his food bill, for the 1929 quantities per capita, was reduced to about \$310, leaving about \$710 for other expenditures. During the first eight months of 1937, a great many more were employed than in 1933 and their average earnings were about \$1290. The food bill had advanced to about \$400, an increase of nearly 30 percent above the low costs of 1933.

"It was this percentage increase that received most attention and not the fact that food costs in 1937, even with the advance in prices, took a smaller share of the average employed worker's earnings than in 1929. In 1929 a typical food budget required 35 percent of annual earnings, in 1937 only 30 percent.

".....families with incomes under \$1500 yearly would probably spend between \$20 and \$40 for food out of an addition of \$100 to their income. This greater increase in food expenditures among the low income groups is highly important to farmers because about 60% of the many thousands of families surveyed were in this class." - L. H. Bean,

Economic Advisor, A.A.A.
January 28, 1938.

Chas. D. Lewis

Chas. D. Lewis,
Assistant Director, Northeast Division.

G. W. Manchester

A. W. Manchester,
Director, Northeast Division.